

Montgomery County Affordable Housing

Meeting 2

March 7, 2008



CountyStat Principles

- Require Data-Driven Performance
- Promote Strategic Governance
- Increase Government Transparency
- Foster a Culture of Accountability



Agenda

- Welcome and Overview
- **Follow-up from February 8th meeting**
- Review of Potential Indicators
- Review of Proposed Measures: Supply
- Review of Proposed Measures: Demand
- Discussion of Location Measures
- Bridging the Gap Between Indicators and Measures
- Wrap-up



Follow-up from February 8th Meeting

- Status of follow-up items
 - Provide to CountyStat Staff detail regarding what is included in rental cost figures. ***[completed]***
 - Provide to CountyStat staff inventory of affordable housing units by program ***[partially completed]***
 - Discuss implications of changing the baseline housing burden definition from 30 to 33%. ***[completed]***



Follow-up from February 8th Meeting

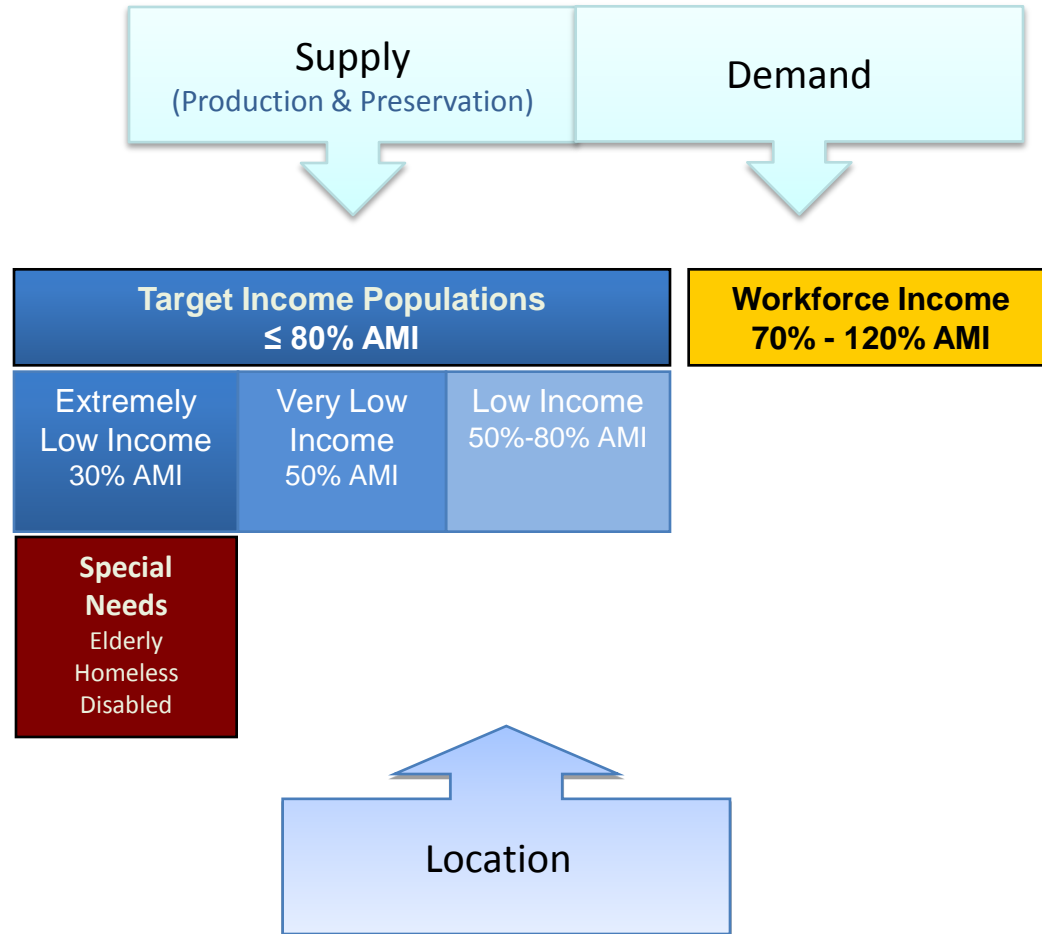
Follow-up items continued

- Develop indicators that will allow County to determine whether or not it is successfully meeting Affordable Housing objectives.
[Component of Today's Presentation]
- Propose measures for supply and demand of Affordable Housing in Montgomery County
[Component of Today's Presentation]
 - Discuss contributing and restricting factors



CountyStat Framework: Understanding Affordable Housing

Economic Characteristics of Affordable Housing



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Relationship between indicators and measures:

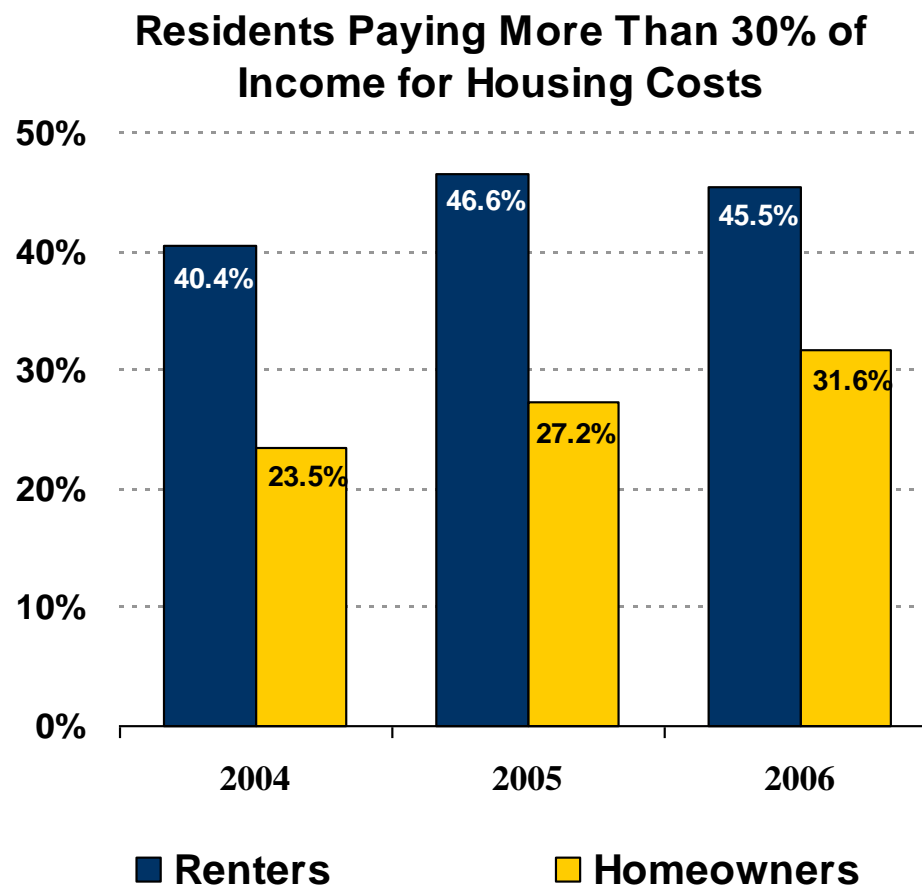
- Indicators are factors that provide a snapshot of affordable housing in Montgomery County
 - County programs will not necessarily impact the state of affordable housing in its entirety.
- Indicator: example
 - Crime rate (homicide, rape, burglary etc..)
 - Partially impacted by police work,
 - Also a factor of the economy, demographic growth patterns, etc..
- Measure of program performance: example
 - Closure rate for homicide, rape burglary etc
 - Police have a degree of control over these factors, thus it serves as a better measures of their program's effectiveness.
 - Factors influence the higher level indicator of crime rate.

Linking the performance measure of homicide closure rate and the crime rate indicator is essential to understanding police impact



Potential Indicator: Housing Burden

- Percentage of residents paying more than 30% of income for housing costs
- Housing Costs include rent/mortgage and utilities



Source: American Community Survey 2006



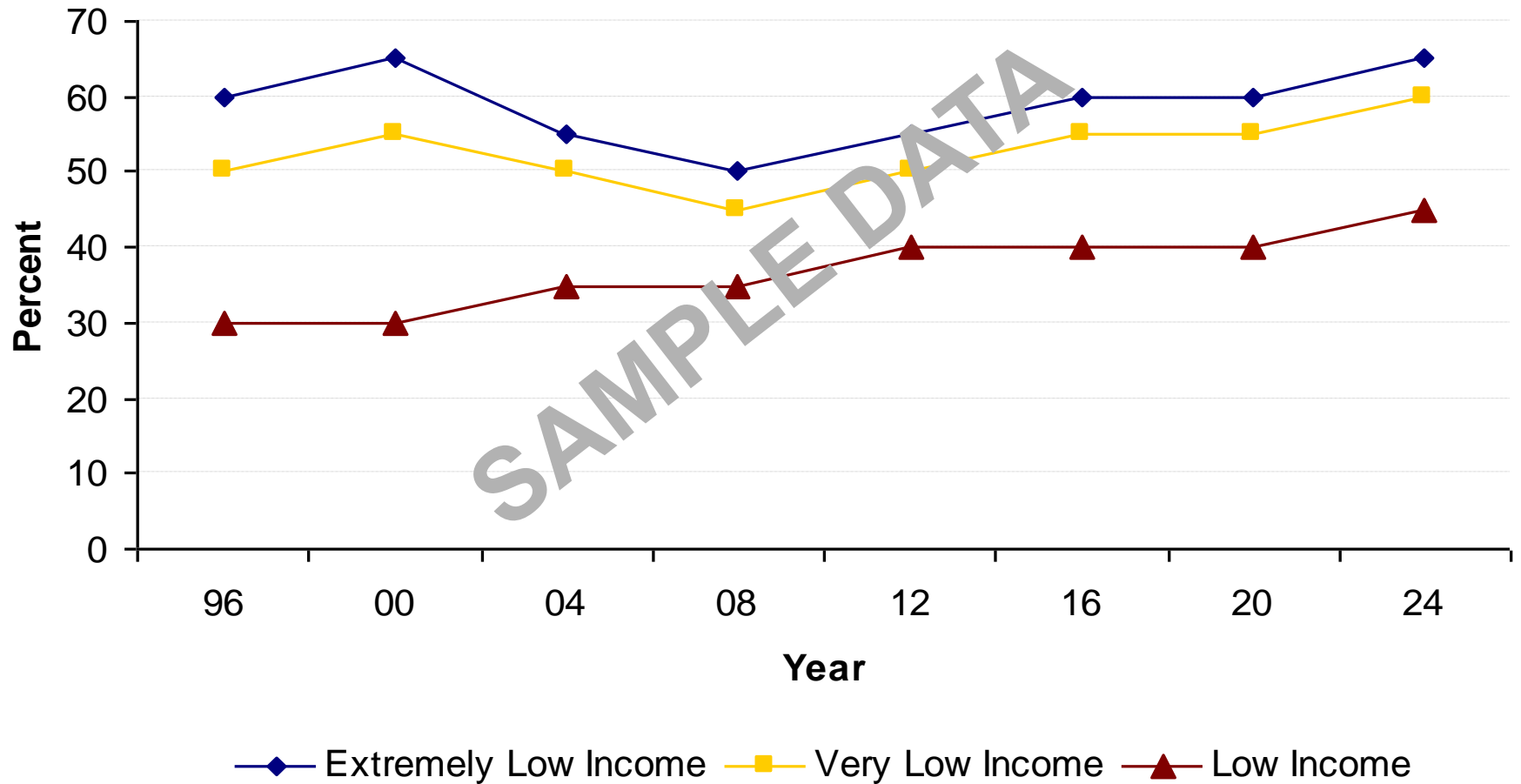
Potential Indicator: Housing Burden with Transportation Index

$$\frac{\text{Housing Costs} + \text{Transportation Costs}}{\text{Income}} = \text{Affordability}$$

- Outgrowth of Location-Efficient Mortgage research (1990s)
- Center for Neighborhood Technology, Center for Transit-Oriented Development, Brookings Institution
- HTAI pilot: Minneapolis-St-Paul. DC Metro area under dev't.
- On the Planning Board's work program for the spring.
- Working with Dr. Chris Nelson, Virginia Tech



Potential Indicator: Housing Burden



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Develop Affordable Housing Measures

- Goals
 - Develop useful measures around the programs and efforts of each partner to ensure affordable housing in Montgomery County.
 - Create agreement among partners around variables that affect affordable housing in Montgomery County.
 - Track programs and monitor progress.
 - Report on the degree that programs impact affordable housing in Montgomery County.



Summation of Proposed Measures: Supply

- Measure 1 - Assisted Units by Income Category
- Measure 2 - Number of Clients Served
- Measure 3 - Funds Spent on Production of New Units
- Measure 4 - At-Risk Units Preserved
- Measure 5 - Quality



Measure 1: Assisted Units by Income Category (1 of 2)

Measuring the number and distribution of affordable housing units

Income Categories

Extremely Low Income

(Includes special needs housing)

Very Low Income

Low Income

Moderate Income

Workforce Income

Unit types

Existing

New Completed

Under Construction

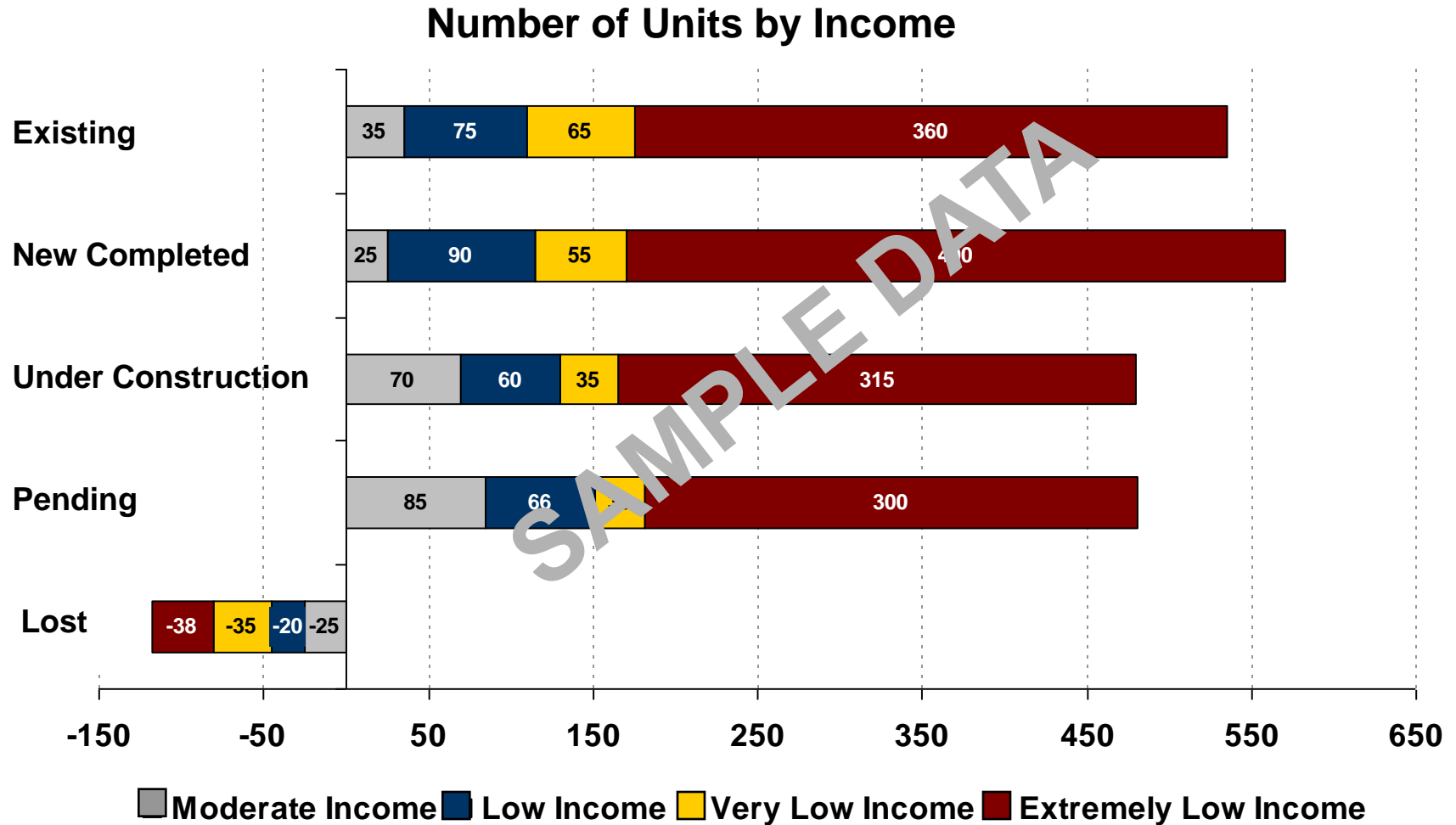
Pending

Lost

- **Status of Measure**
 - Good data available, definitional questions remain
- **Collection Responsibility**
 - TBD



Measure 1: Assisted Units by Income Category (2 of 2)



Measure 2: Number of Clients Served

- Define Client
 - Total Household, Head of Household, etc.
- Total Number of Clients [TBD]
 - Extremely Low Income
 - Includes Special Needs Housing
 - Very Low Income
 - Low Income
 - Moderate
 - Workforce
- Status of Measure
 - TBD
- Collection Responsibility
 - TBD
- Points for follow-up discussion
 - TBD



Measure 3: Funds Spent on Affordable Housing Units

- Total Funds
 - Funds by Source (General fund, non-GF, state, federal and private)
 - Production
 - Preservation
- Status of Measure
 - Good and available data
- Collection Responsibility
 - TBD
- Points for follow-up discussion
 - Challenges in calculating dollar-value (PILOTs and Non-Appropriated Funds)
 - Unit discussion focuses on “bricks & mortar” and misses non-unit supply (i.e. rental assistance, etc.)

Measure does not include new units produced without funds



Measure 4: At-Risk Units Preserved

- Defining “Preservation of Units”
 - Expired units to include expiring HAPs, MPDUs, opt-outs and repayments
 - Preserved units to include those preserved through non-financing efforts
- Status of Measure
 - TBD
- Collection Responsibility
 - TBD
- Points for follow-up discussion:
 - What activities are categorized under “preservation” and how are preserved units counted
 - Unit count excludes preservation success of rental assistance and other programs



Measure 5: Quality

- Defining Quality
 - Potential Measures
 - Number of Bedrooms
 - Distance to Metro
 - School Quality
 - Etc.
- Data Collection Methodology
 - HOC's Customer Satisfaction Survey
 - Other measures
- Status of Measure
 - TBD
- Collection Responsibility
 - TBD
- Points for follow-up discussion
 - TBD



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Proposed Measure: Demand

- Panel Discussion:

What should be counted in measuring demand?

- Proposed Scenarios:
 - Residents of Montgomery County [est. 962,000 (2007)]
 - Residents and Non-residents Working in Montgomery County [est. 508,650 (2006)]
 - Specific subset of County workers (teachers, police, firefighters)
 - Waiting Lists
 - Those who would like to live in Montgomery County
 - Percentage of residents who are burdened

Source: MNCPPC Census Update Survey 2005

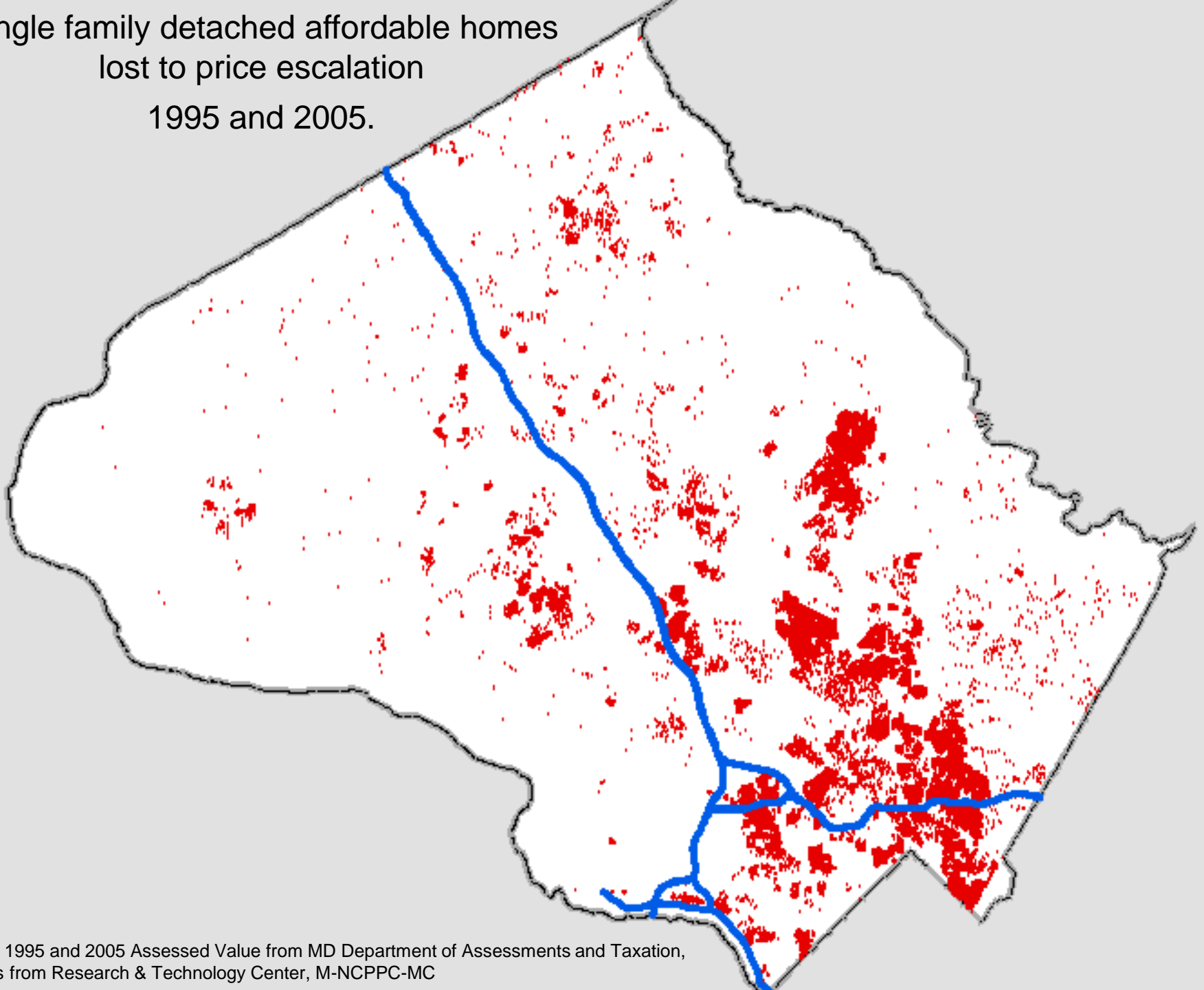


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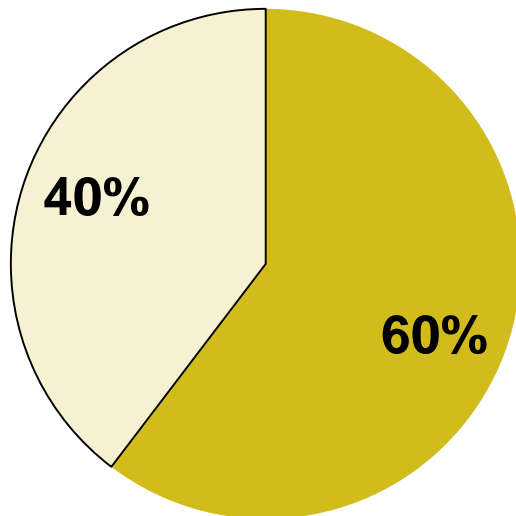
Single family detached affordable homes
lost to price escalation
1995 and 2005.



Source: 1995 and 2005 Assessed Value from MD Department of Assessments and Taxation,
Analysis from Research & Technology Center, M-NCPPC-MC

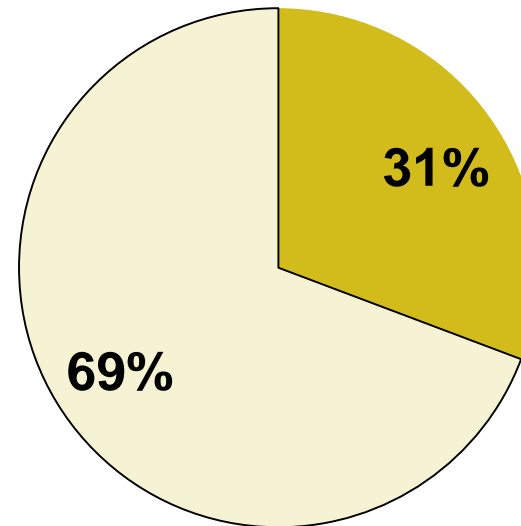
**The stock of affordable single-family detached homes fell
30% between 1995 and 2005**

1995 Single Family Detached
Assessments



■ ≤ \$229,900 □ > \$229,900

2005 Single Family Detached
Assessments



■ ≤ \$327,433 □ > \$327,433



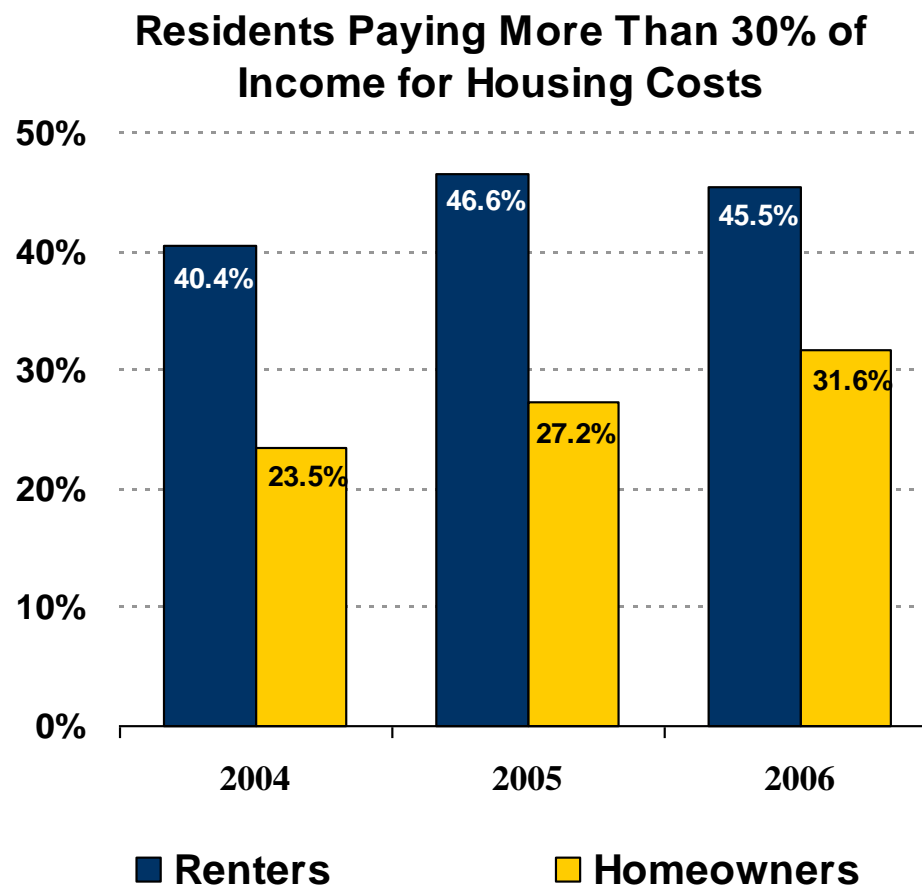
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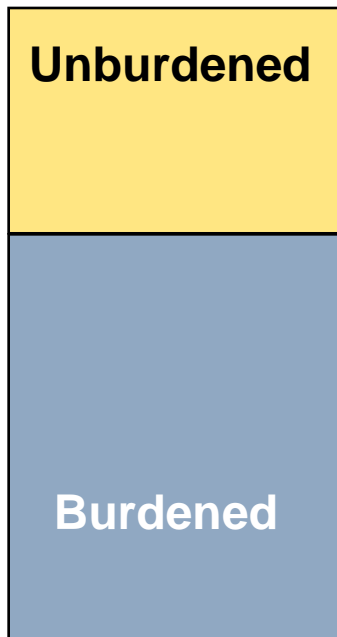
Source: American Community Survey 2006



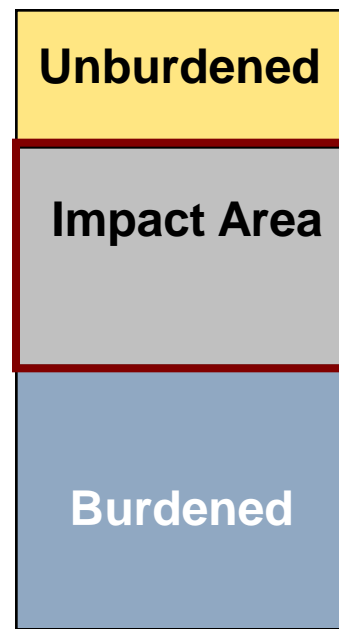
Potential Indicator: Reach of Government Programs

- Percentage of low-income, cost-burdened residents reached through government-assisted affordable housing programs

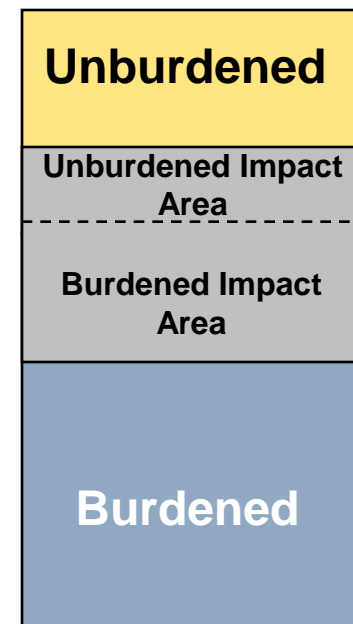
**Currently
no delineation for
Government –assisted
Program Impact**



**Identify
Government-assisted
Program Impact Area**



**Monitor
Government-assisted
Program Impact**



Intermediate Steps to Reach of Government Programs

- Number of county households in each AMI category
- How much each AMI category can afford as housing costs (using the 30% ratio)
- Compare what they can afford to the rental rates from DHCA's annual survey to find "total" need.
- Compare that total need to the county's existing affordable inventory to determine the gap that exists.



Bridging the Gap between Indicators and Measures

- Contributing Factors
 - Example
 - Emphasis on affordable housing by Montgomery County Government
 - Acceptance and support of public policies that promote inclusiveness and mixed income communities.
- Restricting Factors
 - Example
 - Property value appreciation
 - Increased cost of development
- Identify what would work to achieve desired results.



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Wrap-Up

- Confirmation of follow-up items
- Time frame for next meeting

